

 $TEN/675 \\ CO_2 \ standards \ for \ lorries \ + \\ Weights \ and \ dimensions \ of \ road \ vehicles$

OPINION

European Economic and Social Committee

Proposal for a Regulation of the European Parliament and of the Council setting CO₂ emission performance standards for new heavy-duty vehicles; Proposal for a Decision of the European Parliament and of the Council amending Council Directive 96/53/EC as regards the time limit for the implementation of the special rules regarding maximum length in case of cabs delivering improved aerodynamic performance, energy efficiency and safety performance

[COM(2018) 284 final – 2018/0143(COD) COM(2018) 275 final – 2018/0130(COD)]

Rapporteur: Stefan BACK

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Legal basis Art. 91(1), Art. 192(1), Art. 304 of the Treaty on the Functioning of

the European Union

Section responsible Section for Transport, Energy, Infrastructure and the Information

Society

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Plenary session No 538

Outcome of vote

(for/against/abstentions) 216/2/3

1. Conclusions and recommendations

- 1.1 The EESC welcomes the Proposal for a Decision of the European Parliament and of the Council amending Council Directive 96/53/EC ("The Decision proposal") and notes that it only means the earlier implementation of substantive amendments to Directive 96/51/EC, already agreed. The EESC underscores the need to consider the drivers' working environment when adopting implementing rules and urges the Commission to consult with appropriate stakeholders in this context.
- 1.2 The EESC also welcomes the Proposal for a Regulation of the European Parliament and of the Council setting CO₂ emission performance standards for new heavy-duty vehicles¹ (the "Regulation proposal") as a balanced approach to addressing the need to reduce CO₂ emissions from HDVs as a contribution to the implementation of the undertakings made under the Paris Agreement and taking into account the specific provisions made by the October 2014 European Council regarding the transport sector.
- 1.3 The EESC also welcomes the objective of the Regulation proposal of promoting innovation and the competitiveness of the EU automotive industry in low-emission HDVs in the face of competition in this sector from China, Japan and the United States of America.
- 1.4 Still, the EESC regrets the complexity of the proposal which makes it difficult to access. The EESC also regrets that a common terminology and common criteria are not used for what the Regulation proposal calls zero and low emission vehicles, as different designations are used in other proposals in the mobility package. Common terminology and, where possible, common criteria, would have made the texts clearer.
- 1.5 The choice of a technology-neutral approach is necessary, in the opinion of the EESC, bearing in mind the dynamic developments in the field of alternative energy sources and also in view of the need to avoid national solutions that would create an obstacle to the smooth operation of the internal market.
- 1.6 The 15% reduction level regarding average specific CO_2 emissions 2020 2025 is challenging but still in line with the reduction level adopted by the October 2014 European Council as what could reasonably be demanded from the transport sector.
- 1.7 The EESC also welcomes the flexibility provided by the proposed debit/credit system.
- 1.8 The EESC underlines the importance of foreseeability regarding both the automotive and the transport industries, considering the time and investment required to develop new products and the need for foreseeability regarding the legal framework when making investments in new equipment. For that reason, the EESC would also wish to see more precise targets for the CO₂ trajectory after 2030.

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- 1.9 The EESC draws attention to the fact that innovation often means changed working conditions and a need for training to adapt to new requirements. This calls for efforts to make transformation possible in a socially sustainable way and to facilitate a dialogue between social partners.
- 1.10 The EESC also underlines the importance of testing the actual CO₂ performance of vehicles in real driving conditions, bearing in mind for instance the additional effects on CO₂ emission levels of digitalisation and more efficient driving techniques, bringing improved efficiency, better capacity utilisation and reduced costs per unit transported.
- 1.11 The EESC therefore takes the view that the Regulation proposal would also contribute to the improved competitiveness of the European transport industry.
- 1.12 The EESC notes a problem of clarity regarding the status under the Regulation proposal of "vocational vehicles", as further developed under point 5.1. In the opinion of the EESC, the effects of the specific status of vocational vehicles should be better explained, possibly by an addition to recital 17.
- 1.13 The revenues from the penalties to be paid in case of non-compliance with the targets set by the Regulation proposal should, in the opinion of the EESC, be earmarked for financing the development of innovation and sustainable transport solutions to reduce the CO₂ footprint of HDVs.
- 1.14 The EESC finally remarks that the term "excess emission premium" used in Article 8 to designate what is in fact a sanction does not appear appropriate and should be changed for instance to "excess emission penalty".

2. **Background**

- 2.1 Under the Paris Agreement, the EU has committed to reduce greenhouse gas (GHG) emissions to forestall negative effects of climate change. The EU undertaking was made on the basis of the conclusions of the European Council of October 2014 which committed to a reduction of at least 40% by 2030, albeit with a less ambitious target a reduction of 30% for the non-emission trading sectors, particularly transport².
- 2.2 The European Strategy for Low-Emission Mobility³ (the Low-Emission Mobility Strategy) sets a target of at least a 60% reduction of GHG emissions by 2050 compared to 1990 levels and sets the objective of having low-emission vehicles account for a significant market share by 2030.
- 2.3 One of the main objectives of the "Europe on the Move" initiative (the Mobility Package) is to deliver on the Low-Emission Mobility Strategy and the renewed EU Industrial Policy Strategy⁴.

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² European Council Conclusions, 24 October 2014.

^{3 &}lt;u>COM(2016) 501 final</u>

COM(2017) 479 final

The Mobility Package was delivered in three instalments: on 31 May and 8 November 2017 and on 17 May 2018. The overarching communications accompanying the three parts of the package have highlighted the importance of delivering on this strategy and a number of proposals in this direction have been made, including the proposal for a Regulation on the monitoring and reporting of CO₂ emissions from and fuel consumption of new heavy-duty vehicles⁵ and the proposal for a Regulation setting emission performance standards for new passenger cars and for new light commercial vehicles as part of the Union's integrated approach to reduce CO₂ emissions from light-duty vehicles and amending Regulation (EC) No 715/2007 (recast)⁶. It should be underscored that the objective of these measures is not only environmental, but also a matter of maintaining competitiveness in relation to countries such as China, Japan and the United States, where environmental standards for HDVs are already in place.

2.4 The two proposals dealt with in this opinion are part of the third instalment in the package and concern emission performance standards for new heavy-duty vehicles, and shortening the time it takes for special rules on the dimensions of cabs delivering improved aerodynamic performance to be enacted in national law.

3. The proposals

- 3.1 Proposal for a Decision of the European Parliament and of the Council amending Council Directive 96/53/EC as regards the time limit for the implementation of the special rules regarding maximum lengths in case of cabs delivering improved aerodynamic performance, energy efficiency and safety performance⁷ (the "Decision proposal")
- 3.1.1 The special rules mentioned above aim to enable the use of cabs with improved aerodynamics, which would improve energy performance and reduce GHG emissions. Directive 96/53/EC as it now stands includes a three-year moratorium for the introduction of aerodynamic cabs after the end of the transposition period. This is now proposed to be reduced to four months from the entry into force of the Decision, to make it possible to use aerodynamic cabs without unnecessary delay. Implementation requires modification of rules on type approval.
- 3.1.2 The Decision proposal does not modify the substantive provisions of Directive 96/53/EC.
- 3.2 Proposal for a Regulation of the European Parliament and of the Council setting CO₂ emission performance standards for new heavy-duty vehicles (the "Regulation proposal")
- 3.2.1 The Regulation proposal sets targets for CO₂ emissions reductions from the HDVs covered by the Regulation proposal as follows: by 15% for the period 2025-2029; and, for the period from 1 January 2030 onwards, by at least 30%, the latter subject to a review to be undertaken in 2022. The reference emissions are based on 2019 data established through the monitoring foreseen in

6 COM(2017) 676 final – 2017/0293 (COD)

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^{5 &}lt;u>COM(2017) 279 final – 2017/0111 COD</u>

⁷ COM(2018) 275 final – 2018/0130 (COD)

⁸ COM(2018) 284 final – 2018/0143 (COD)

- the proposal for a Regulation on the monitoring and reporting of CO_2 emissions from and fuel consumption of new heavy-duty vehicles (reference year emissions)⁹.
- 3.2.2 The Regulation proposal covers lorries with a laden weight above 16 tonnes, tractors, and also with regard to the incentives under the special provisions that apply to zero- or low-emission vehicles coaches, buses and lorries that otherwise fall outside the Regulation proposal. Vocational vehicles and HDVs not intended for the delivery of goods are, in principle, not covered by the CO₂ reduction targets under the Regulation proposal.
- 3.2.3 Starting in 2020, average specific emissions of each manufacturer as from 2019 shall be calculated for each preceding calendar year according to implementing acts, and based on information collected under the proposed monitoring regulation (see point 3.2.1 above) and on the zero- or low-emission factor to be established.
- 3.2.4 For zero- and low-emission vehicles, a zero- and low-emission factor shall be determined by the Commission from 2020 for each manufacturer as of 2019. Each zero- or low-emission vehicle shall be counted as two vehicles. The zero- and low-emission factor shall reduce the average specific emissions by a maximum of 3% or, with respect to buses, coaches and lorries normally not falling under the regulation, by a maximum of 1.5%.
- 3.2.5 Starting from 2026, manufacturers' specific emission targets for the following year shall be defined by the Commission by means of implementing acts on the basis of data for the preceding year. They shall be based on the targets set out in the regulation, the reference year emissions (2019), the manufacturers' share of vehicles in each category, and the annual mileage and payload of each category.
- 3.2.6 Credits and debts may be acquired. These are calculated on the basis of the difference between a reduction trajectory to be set for each manufacturer based on the reference year emissions and the 2025 and 2030 targets and the average specific emissions of a manufacturer; a positive difference produces a credit. Meanwhile, a negative difference between the average specific emissions and the specific emission target of a manufacturer gives rise to an emission debt.
- 3.2.7 Emission credits may be acquired over the period 2019-2029, but credits for the period 2019-2024 may only be used against the specific emission target for 2025. Debts for the period 2025-2029 may not exceed 5% of the manufacturer's specific emission target for 2025 multiplied by the manufacturer's number of HDVs in that year ("emission debt limit"). Debts and credits may be carried over during the period 2025-2028, but must be fully cleared in 2029.
- 3.2.8 Excess emissions by year or for the period 2025-2029 will result in the Commission imposing an excess emission premium calculated on the basis of 6 800 €/gCQ/tkm. Excess premiums shall be considered as revenue for the general budget of the Union.
- 3.2.9 The Regulation proposal also contains provisions on monitoring the conformity of vehicles and the publication of data and manufacturer performance.

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4. General comments

4.1 The Decision proposal

- 4.1.1 The EESC supports the initiative to enable earlier implementation of the provisions on the use of a cab design that should improve energy efficiency and hence reduce emissions as well as improving the competitiveness of the EU automotive industry. The EESC underscores that the proposal does not entail any substantive changes to Directive 96/53/EC, but only adjusts the implementation timetable.
- 4.1.2 The EESC notes that new regulations are required prior to implementation of aerodynamic cabs that exceed current restrictions on weight/dimensions of the vehicle. As required under Article 9 of EU Directive 2015/719, these new regulations will cover four areas:
 - aerodynamic performance
 - safety of vulnerable road users e.g. visibility, elimination of blind spots etc.
 - the reduction in damage or injury to drivers and other road users in the event of a collision
 - the safety and comfort of drivers, e.g. internal dimensions of the cabin.
- 4.1.3 The EESC urges the Commission to consult with relevant stakeholders, e.g. trade unions representing drivers, road haulage operators etc., before finalising these proposals.
- 4.1.4 The EESC assumes that the amended type approval rules required will ensure a working environment for drivers that is at least equal to current standards.

4.2 The Regulation proposal

- 4.2.1 The EESC welcomes the Commission's proposal, which appears to strike a reasonable balance between the aims of reducing GHG emissions in relation to mobility, encouraging innovation in the EU automotive industry, and improving its competitiveness. It is a follow-up to the proposal on the monitoring and reporting of CO₂ emissions from HDVs, mentioned in point 2.3 above and welcomed by the EESC.
- 4.2.2 The EESC takes note that the Regulation proposal is a very complex piece of legislation. The EESC regrets that it seems to have been impossible to draft a clearer and more easily accessible text. In this context the EESC also regrets that the terminology for the designation low or zero emission vehicles varies so much in the three proposals relating to vehicle CO₂ emissions that are part of the mobility package. For instance, Article 4 and Table 2 in Annex of the proposal with amendments to Directive 2009/33 on the promotion of clean and energy efficient vehicles and Article 3 of the proposal for a recast of Regulation 715/2007 on the CO₂ standards of cars and vans are each define low or zero emission in a different way. A third

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¹⁰ COM(2017) 653-2017/0291 (COD)

^{11 &}lt;u>COM(2017) 676 – 2017/0293 (COD)</u>

- terminology is used in the Regulation proposal. It is regrettable that a coherent common terminology has not been used.
- 4.2.3 As well as the environmental objectives of the proposal, the EESC also particularly welcomes the competitiveness aspect, bearing in mind that CO₂ standards and monitoring systems for HDVs are in place in, for instance, China, Japan and the United States. It is therefore important that the EU automotive industry is encouraged to achieve similar standards, in order to be able to compete efficiently in these and other markets.
- 4.2.4 The EESC appreciates the technology-neutral approach of the Regulation proposal, as this should create the conditions for a broad approach to developing zero- or low-emission powertrains, including further development of the combustion engine.
- 4.2.5 The EESC draws attention to the importance of developing alternative powertrains for HDVs, also bearing mind the commercial context in which those vehicles are generally used. In this context, the EESC also draws attention to the wide spectrum of currently available solutions and the dynamic evolution in this field, which means that the picture is constantly changing. The EESC therefore underlines the importance, particularly with respect to HDVs, of avoiding diverging national solutions that hamper the functioning of the internal market by impeding cross-border mobility.
- 4.2.6 The EESC takes note of the 15% target for CO₂ emission reduction during the period 2020-2025 and takes the view that this must be considered to be a challenging objective, bearing in mind that this kind of obligation is new for HDVs, which are also a type of vehicle that is new to the kind of requirements set out in the Regulation proposal.
- 4.2.7 Nevertheless, the EESC is satisfied that the target set is considerably below the general target for CO₂ reduction set for the EU, which is also in line with the view taken by the October 2014 European Council regarding the demands that could reasonably be made on the transport sector. In this context, the EESC also welcomes the debit/credit system proposed, which provides a flexibility that may be necessary, at least for a certain time.
- 4.2.8 Foreseeability is important to both the automotive industry and the transport sector. For the former, it is a question of knowing what to expect when developing new models and new technical solutions, both of which are long-term projects. For the latter, it is a question of being able to make well-informed choices, for instance when investing in a new vehicle. For that reason, it is important that more precise targets are defined for the CO₂ trajectory after 2030.
- 4.2.9 Innovation could also lead to changes in working conditions in the automotive industry, and a need for new competences. This could also follow from a changed working environment and new technologies which could put new demands on, for example, drivers. This social aspect of technological developments must be sufficiently dealt with in order to ensure adequate working conditions and training to acquire new skills. Dialogue between social partners is also necessary to ensure a sustainable transition.

- 4.2.10 The Regulation proposal deals only with the technical characteristics of the vehicle. The EESC would therefore also draw attention to the digitalisation of transport including the development of automatic vehicles and of driving routines which, in addition to improvements made to the CO₂ performance of vehicles, will also reduce HDVs' carbon footprint. Likewise, the potential improved efficiency brought by digitalisation e.g. thanks to improved journey planning and grouping of cargoes made possible by digital platforms could have significant effects on actual emission performance.
- 4.2.11 Improved efficiency and better capacity utilisation will also bring down costs per unit transported and hence improve the competitiveness of the transport industry.
- 4.2.12 It is therefore important that the VECTO simulation data to be used for monitoring and checking standards is complemented by real-life data. Thus, the EESC welcomes the statement made by the Commission, in the context of the adoption by the European Parliament of the legislative resolution on the Regulation on the monitoring of HDV CO₂ emissions, that it intends to complement current data collection methods with on-road tests, covering the on-road performance of HDVs¹².

5. Specific comments – the Regulation proposal

- 5.1 According to the explanatory memorandum, exemptions from the CO₂ emission standards are provided for vocational vehicles. Specific exemptions are set out in Article 1, second subparagraph (calculation of reference CO₂ emissions), and in Article 4 (average specific emissions of a manufacturer). On the other hand, they are not mentioned in Article 2 (scope) nor in Article 6 (manufacturer specific emission targets). The situation of those vehicles under the Regulation proposal therefore does not seem entirely clear. It appears, however, that vocational vehicles are in fact covered by the CO₂ reduction aims set out in Article 1(a) and (b) and taken into account when establishing the manufacturer-specific emission targets and for the purpose of establishing emission debts under Article 7. In the opinion of the EESC, the effects of the specific status of vocational vehicles should be better explained, possibly by an addition to recital 17.
- 5.2 The term "excess emission premium" in Article 8 of the Regulation proposal implies more something that is received rather than a kind of penalty to be paid, which it in fact is. It might be useful, for the sake of clarity, to consider a change, such as "excess emission penalty", which corresponds more to the reality.
- 5.3 Article 8 of the Regulation proposal states that the amounts of the excess emission premium shall be considered as revenue for the general budget of the Union. The EESC takes the view that such amounts should be earmarked for the development of sustainable solutions either in the automotive sector or in the transport sector.

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